

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 AEC-11 AID-20 CEA-02 CIEP-02 COME-00 EB-11

FEA-02 FPC-01 INT-08 OMB-01 SAM-01 SCI-06 STR-08

TRSE-00 DRC-01 /169 W

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R 262100Z MAR 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3149

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E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: TIMING OF PETROLEUM REVERSION

1. SUMMARY: PRESIDENT PEREZ HAS SAID THAT HIS GOVERNMENT WILL MAKE ITS DECISION ABOUT EARLY REVERSION OF PETROLEUM CONCESSIONS WITHIN TWO YEARS. WHILE THIS REMAINS OFFICIAL TARGET DATE, OTHER ESTIMATES SUGGEST THAT TASK MAY BE COMPLETED BY END OF THIS YEAR. END SUMMARY.

2. GUMERSINDO RODRIGUEZ, NEW CHIEF OF STATE PLANNING ORGANIZATION (CORDIPLAN) MADE STATEMENT MARCH 23 WHICH INTERPRETED BY PRESS TO MEAN "NATIONALIZATION" WILL OCCUR BEFORE END OF 1974. HE SAID QUOTE REVERSION LAW WILL BECOME REALITY THIS YEAR, AS IT HAS BEEN FORESEEN BY PRESIDENT OF REPUBLIC CARLOS ANDRES PEREZ, AND YOU WILL BE ABLE TO SEE FOR YOURSELF BRIEFLY WHICH MEASURES ARE TO BE TAKEN ON ISSUE."

EMBASSY HAS CHECKED THIS STATEMENT WITH RODRIGUEZ'S PRESS OFFICER, WHO CONFIRMS ACCURACY OF QUOTATION, BUT SAYS IT MEANS PROCESS OF NATIONAL CONSULTATION ON REVERSION WILL BE COMPLETED BY YEAR END, AND DOES NOT NECESSARILY INDICATE THAT GOVERN-

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MENT DECISION WILL BE TAKEN BY THAT TIME.

3. PROCESS OF NATIONAL CONSULTATION ON REVERSION IS NOW BEGINNING. DEBATE ON NATIONALIZATION IN CHAMBER OF DEPUTIES, WHICH NOW GOING ON, IS EXPECTED TO LAST SEVERAL MORE WEEKS AFTER WHICH NATIONALIZATION BILLS ARE TO BE REFERRED TO COMMITTEE ON MINES AND HYDROCARBONS FOR DETAILED STUDY. MEANWHILE AD HAS CREATED BY CABINET DECREE OF MARCH 22 A COMMISSION TO STUDY PETROLEUM REVERSION, WHICH WILL CONSIST OF REPRESENTATIVES OF INTERESTED GOVERNMENT MINISTRIES, CVP, LABOR, FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY (FEDECAMARAS), UNIVERSITIES, PROFESSIONAL GROUPS AND NATIONAL SCIENTIFIC COUNCIL (CONICIT). THE COMMISSION IS DIRECTED TO COMPLETE ITS WORK WITHIN SIX MONTHS. EMBASSY WILL POUCH FULL TEXT OF DECREE WITH LIST OF MEMBERSHIP OF COMMISSION.

4. OTHER KNOWLEDGEABLE PERSONS WITH WHOM EMBASSY HAS BEEN IN CONTACT ESTIMATE THAT ACTION ON REVERSION IS LIKELY BY END OF THIS YEAR. PEDRO PABLO AGUILAR, SECRETARY GENERAL OF COPEI EXPECTS CONGRESSIONAL ACTION ON REVERSION DURING OCTOBER SESSION OF CONGRESS. HEAD OF LOCAL OIL COMPANY (HIDECA) EXPECTS ACTION BY END OF YEAR, AND SAYS THIS IS ALSO ESTIMATE OF HERNANDEZ GRISANTI, WHO IS AD'S OIL EXPERT IN CONGRESS AND WHO WILL HEAD CONGRESSIONAL COMMITTEE ON MINES AND HYDROCARBONS. MCCLINTOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, NATIONALIZATION, PRESS COMMENTS, PETROLEUM CONCESSIONS, FOREIGN POLICY POSITION, MEETINGS, LOWER HOUSE, CONSULTANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA02580
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740065-0988
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740316/aaaaaoby.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 23 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 SEP 2002 by boyleja>; APPROVED <26-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TIMING OF PETROLEUM REVERSION
TAGS: ENRG, VE, (PEREZ LA SALVIA, HUGO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005